

RECORDATION NO. 27430-A **FILED**

NOV 05 '08 -8 00 AM

SURFACE TRANSPORTATION BOARD

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FLIAS C. ALVORD (1942)
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OF COUNSEL
URBAN A. LESTER

November 5, 2008

Anne K. Quinlan, Esquire
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

Dear Ms. Quinlan:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement, dated as of March 31, 2008, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Equipment Lease Agreement previously filed with the Board under Recordation Number 27430.

The names and addresses of the parties to the enclosed document are:

Bank: The Sumitomo Trust & Banking Co., Ltd.
New York Branch
527 Madison Ave.
New York, NY 10022

Borrower: Mitsui Rail Capital, LLC
71 South Wacker Drive, Suite 1800
Chicago, IL 60606

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A description of the railroad equipment covered by the enclosed document is:

115 railcars within the series MBKX 3002 - MBKX 3233 as more particularly set forth in the attachment to the document.

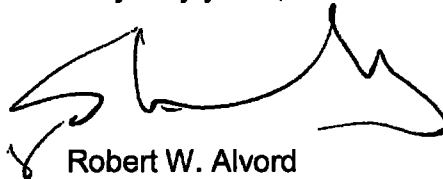
A short summary of the document to appear in the index is:

Memorandum of Security Agreement.

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/sem
Enclosures

NOV 05 '08 -8 00 AM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SECURITY AGREEMENT

This Memorandum of Security Agreement is made and entered into as of March 31, 2008 by and between THE SUMITOMO TRUST & BANKING CO., LTD., NEW YORK BRANCH (hereinafter referred to as the "Bank") and MITSUI RAIL CAPITAL, LLC (hereafter referred to as the "Borrower").

The Borrower has delivered to the Bank a Master Note dated March 31, 2008 in the principal amount of up to US\$50,000,000 (the "Note").

As a condition precedent to the Bank making advances under the Note having a due date more than sixty days after the date of the applicable advance, the Bank has required the Borrower to execute a Security Agreement with the Bank dated as of October 15, 2008 (the "Security Agreement") and to grant to the Bank a security interest in all of the following property in which the Borrower has or may acquire an interest (collectively, the "Collateral"):

- (a) the railcars described on Schedule 1 hereto and made a part hereof (the "Equipment"), together with all parts of any Equipment, except for loading devices or any accessories provided by the lessee or other user of any Equipment or any other party other than Borrower;
- (b) all of the rights, powers, privileges, remedies and other benefits of the Borrower in, to and under any and all contracts, agreements and instruments with the manufacturers or vendors of any of the Equipment, including, without limitation, the right to enforce warranties and to receive, to collect all payments in respect thereof, and to commence, conduct and consummate legal, administrative or other proceedings, as shall be permitted thereby or by law;
- (c) all property insurance and requisition proceeds with respect to the Equipment or any part thereof; and
- (d) all other proceeds of any of the foregoing Collateral.

As contemplated by the Security Agreement, the Bank and the Borrower hereby make this Memorandum of Security Agreement to confirm and perfect the Bank's security interest in the Collateral. The Bank and Borrower further acknowledge and confirm that this Memorandum of Security Agreement is not a summary of the Security Agreement nor a complete recitation of the terms and provisions thereof. Accordingly, the Bank and the Borrower agree that in the event of a conflict between this Memorandum of Security Agreement and the provisions of the Security Agreement, the provisions of the Security Agreement shall control.

SCHEDULE 1

TO MEMORANDUM OF RAILCAR SECURITY AGREEMENT

4520 cf Bethgon II Railcar 142-1-0100	100	From MBKX300924	To MBKX301023
Aluminum Bethgon II 140-1-0100	135	MBKX006668	MBKX006802
Aluminum Autoflood III Railcar 135-1-0200	115	MBKX003002 MBKX003007 MBKX003018 MBKX003070 MBKX003075 MBKX003084 MBKX003113 MBKX003147 MBKX003154 MBKX003156 MBKX003228 MBKX003231	MBKX003003 MBKX003012 MBKX003068 MBKX003071 MBKX003082 MBKX003110 MBKX003120 MBKX003159 MBKX003227 MBKX003233
4200 cf Autoflood III 112-1-0300	135	FEPX060911	FEPX061045

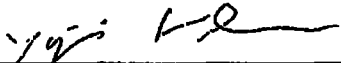
SCHEDULE 1

TO MEMORANDUM OF RAILCAR SECURITY AGREEMENT


Autoflood III Railcar 132-1-0700	135	MBKX452129	MBKX452263
Bethgon II Railcars 151-1-0100	130	MBKX301024 MBKX301038 MBKX301072 MBKX301097 MBKX301115 MBKX301119 MBKX301124 MBKX301131 MBKX301142 MBKX301152 MBKX301161 MBKX301173 MBKX301211 MBKX301214 MBKX301216 MBKX301223 MBKX301228 MBKX301246 MBKX301251 MBKX301253 MBKX301289 MBKX301290 MBKX301293	MBKX301036 MBKX301070 MBKX301095 MBKX301113 MBKX301117 MBKX301122 MBKX301140 MBKX301150 MBKX301154

IN WITNESS WHEREOF, each of the parties thereto, pursuant to due authority, has caused this Memorandum of Security Agreement to be duly executed in its name by its officers, thereunto duly authorized, all as of the date first above written.

BANK:
THE SUMITOMO TRUST & BANKING CO.,
LTD., NEW YORK BRANCH

By: 
Name: Yuji Kabe
Title: Vice President and Manager

BORROWER:
MITSUI RAIL CAPITAL, LLC

By: 
Name: Mariko Aoki
Title: VP & Treasurer

STATE OF New York
COUNTY OF New York):SS

On this 30th day of October, 2008, before me personally appeared _____
Yuji Kabe to me personally known, who being by me duly sworn, says that
he is a VP and Manager of THE SUMITOMO TRUST & BANKING CO., LTD.,
NEW YORK BRANCH, that said instrument was signed on behalf of said corporation by an
officer duly authorized to sign said instrument, and he acknowledged that the execution of the
foregoing instrument was the free act and deed of said company.

Elisa Pollack
Notary Public
[NOTARIAL SEAL]

My Commission Expires 11/2/09

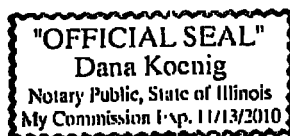
ELISA POLLACK
Notary Public, State of New York
No. 02PO5087339
Qualified in New York County
Commission Expires: 11/2/09

STATE OF ILLINOIS
COUNTY OF COOK):SS

On this 31ST day of OCTOBER, 2008, before me personally appeared MORIHIRO
AKI to me personally known, who being by me duly sworn, says that
he is a VP & TREASURER of MITSUI RAIL CAPITAL, LLC, a Delaware limited
liability company, that said instrument was signed on behalf of said company by an officer duly
authorized to sign said instrument, and he acknowledged that the execution of the foregoing
instrument was the free act and deed of said corporation.

Dana Koenig
Notary Public
[NOTARIAL SEAL]

My Commission Expires



CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 11/5/08



Robert W. Alvord